MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2022 / 2023 (TERM ID 2220)

DBL5024 – COMPANY LAW

(For Diploma Students Only)

10 JULY 2023
2.30 p.m. – 4.30 p.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **THREE (3)** pages with **FOUR (4)** questions.
2. Answer all questions.
3. You are required to cite relevant provisions and case laws.
4. Write all your answers in the Answer Sheets provided.

QUESTION 1

a) Section 10(1) Companies Act 2016 provides the classification of companies. Briefly explain all **THREE (3)** classifications of company according to the Companies Act 2016.

(i) Company limited by shares (4 marks)

(ii) Company limited by guarantee (6 marks)

(iii) Unlimited company (6 marks)

b) Briefly explain the holding company. (9 marks)

[Total: 25 marks]

QUESTION 2

a) The corporate veil may be lifted by the way of statutory exception. Explain the **THREE (3)** statutory exceptions according to the Companies Act 2016. (15 marks)

b) Suka Sushi Sdn. Bhd is a newly incorporated company in Malaysia. Their aim is to create a memorable experience for everyone by serving halal Japanese food. The company was founded by the husband and wife, Hani and Azman. Currently, they have three branches in Malaysia.

In March 2021. the company applied for a loan from UOA Bank Bhd amounting to RM 450,000. They planned to expand their business and open other branches. When the loan was approved, Hani and Azman spent the money to develop the company. Unfortunately, they started losing their profit due to economic challenges and increment of overnight policy rate (OPR). They also faced challenges from numerous other sushi outlets which were offering more variety of sushi with lower price.

These challenges have caused them to default in their loan payment to UOA Bank Bhd since June 2022. Due to this, UOA Bank Bhd demanded the payment from Hani and Azman personally since they are the only directors and shareholders of the company.

Based on the above situation, discuss whether Hani and Azman could be made liable for the loan made by Suka Sushi Sdn. Bhd according to the law. (10 marks)

[Total: 25 marks]

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QUESTION 3

a) Ruma Sdn. Bhd is a furniture company incorporated in 2017. The company provides affordable and modern design home furniture. The company usually conducts monthly meetings on the third week of every month. For the meeting in March 2023, Razif had appointed Zaid to attend the meeting on his behalf since he was hospitalized due to food poisoning. During the meeting, Zaid raised his hands to give his opinion regarding the employees' issues. Unfortunately, Emir, the director of the company refused Zaid's right on the grounds that Zaid does not have any right to speak or participate in the meeting. Zaid argued that he was a proxy appointed by Razif, however, Emir still denied his right.

As a legal executive in the company, advise whether Zaid has the right as a proxy to speak in the meeting according to Companies Act 2016. (10 marks)

b) Uniklaa Clothing Sdn. Bhd is a clothing company in Malaysia. They promote comfort and affordable clothing that is suitable to wear in Malaysia. On 15 March 2023, the company planned to conduct a meeting chaired by Dato' Aaron, the chairman of the board of directors. Based on the meeting agenda, the meeting is supposed to start at 2.30pm. However, at 2.45pm on the said date, Dato' Aaron was not present at the venue.

Therefore, the members who were present for the meeting decided to wait for another 10 minutes since they were informed that he was caught in a heavy traffic. Some of the members who were present were dissatisfied as they have been waiting for a long time.

The members then decided to appoint another member to be the chairperson. But the company secretary argued that they cannot elect another chairperson as she just received a message that Dato' Aaron will be arriving soon.

Advise whether the members shall elect another person to chair the meeting according to the Companies Act 2016. (15 marks)

[Total: 25 marks]

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QUESTION 4

a) Dena has set up a company named Dena Empire Sdn. Bhd in June 2021. The company's objective is to supply wholesale fabric from China. Unfortunately, the company never commenced its business up until July 2022. Based on the advice that he received from the Companies Commission Malaysia's officer, the company can be forced to shut down on those grounds.

As a legal advisor, advise whether Dena Empire Sdn. Bhd can be forced to shut down by the court according to the Companies Act 2016. (10 marks)

b) Briefly explain the **TWO (2)** types of winding up. (5 marks)

c) Company once created by the law can only be dissolved by a process of the law. Explain the creditor's voluntary winding up procedures. (10 marks)

[Total: 25 marks]

End of Paper